

1 **BEFORE**
2
3 **THE PUBLIC SERVICE COMMISSION**
4 **OF SOUTH CAROLINA**
5 **DOCKET NO. 2014-399-WS**
6

Joint Application of Carolina Water Service,)
Inc., United Utility Companies, Inc., Utilities)
Services of South Carolina, Inc. and Southland)
Utilities, Inc. for approval of transfer of stock) DIRECT TESTIMONY OF
and merger.) RICHARD J. DURHAM
)

7
8 Q: PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS:

9 A: My name is Richard J. Durham, I am the President of the Utilities, Inc. ("UI") companies in South
10 Carolina. My business address is 150 Foster Brothers Drive, West Columbia, South Carolina,
11 29172.

12 Q: WHO ARE UTILITIES, INC.'s SOUTH CAROLINA COMPANIES?

13 A: Utilities, Inc. has four South Carolina subsidiaries: Carolina Water Service, Inc. ("CWS"), United
14 Utility Companies, Inc. ("United"), Utilities Services of South Carolina, Inc. ("USSC") and
15 Southland Utilities, Inc. ("Southland"). Each is a certificated water and/or wastewater service
16 (Southland provides only water service) in South Carolina, and these companies are the joint
17 applicants in this proceeding. I will refer to them collectively throughout my testimony as "the
18 Joint Applicants."

19 Q: WHICH AREAS OF THE STATE DO THE JOINT APPLICANTS SERVE?

20 A: The Joint Applicants provide service across the state. CWS provides water and sewer service in
21 portions of Aiken, Beaufort, Georgetown, Lexington, Orangeburg, Richland, Sumter, York and

1 Williamsburg counties. United provides water and sewer service in portions of Anderson,
2 Cherokee, Greenville, Greenwood, and Union counties. USSC provides water and sewer service
3 to the public for compensation in portions of Abbeville, Anderson, Lexington, Richland,
4 Saluda, Sumter and York counties. Southland provides water service to the public for
5 compensation in portions of Lexington County. A map illustrating the Joint Applicants' locations
6 in South Carolina is attached as Exhibit RJD-1 to this testimony, and a list of the subdivisions
7 they serve is attached to their Application as Exhibits A-D.

8 Q: WHAT ARE THE JOINT APPLICANTS ASKING FOR IN THIS PROCEEDING?

9 A: The Joint Applicants are asking for the Commission's approval to merge into Carolina Water
10 Service, Inc.

11 Q: HOW WOULD THE MERGER BE ACCOMPLISHED?

12 A: The Board of Directors of each of the Joint Applicants would adopt the "Plan of Merger,"
13 attached as Exhibit E to the Application, which would result in United, USSC, and Southland
14 being merged into CWS. As a result, CWS would become UI's only certificated utility in South
15 Carolina.

16 Q: WHY DO THE JOINT APPLICANTS WANT TO MERGE?

17 A: We believe that operating one water and wastewater utility in South Carolina will be more
18 efficient and economical than operating four.

19 Q: WHAT WILL THE RESULTING COMPANY LOOK LIKE?

20 A: CWS will serve 14,908 water customers and 15,242 sewer customers in 16 counties. As
21 discussed in the Consolidation Plan included with our application, the company will make
22 approximately \$5.5 million per year in capital expenditures in 2014 and 2015.

1 Q: PLEASE DESCRIBE HOW THE JOINT APPLICANTS ARE CURRENTLY OPERATED.

2 A: The Joint Applicants are jointly operated. They are supported by forty-eight employees in South
3 Carolina, who are employed by Water Service Corporation, a wholly-owned subsidiary of
4 Utilities, Inc. that provides personnel and payroll services to its companies across the country and
5 in South Carolina. Our state headquarters is located at 150 Foster Brothers Drive, in West
6 Columbia. We also have operations offices in Rock Hill and in Anderson. Our customer service
7 call centers are located in Florida, North Carolina and Nevada, and these services are shared by
8 UI's other state operations. Other shared services that support the state operations including
9 South Carolina are human resources, information technology, corporate accounting and billing.

10 Q: WHY WILL EFFICIENCY AND ECONOMIES BE ACHIEVED THROUGH A MERGER OF
11 THE FOUR COMPANIES?

12 A: Efficiency and economies will be achieved in several ways. On a basic level, operating four
13 companies in South Carolina means filing four sets of corporate filings such as tax return and
14 gross receipts reports each year. We also bring separate rate cases before the Commission for
15 each company, incurring added regulatory expense. Consolidating into CWS will also allow us
16 to establish a clear brand identity with our customers and increase operational accountability.
17 Our accounting operations and vendors will also benefit from the simplified corporate structure:
18 for example, we often have contractors who work for more than one of the South Carolina
19 companies, and bills are often mistakenly addressed to one company instead of another.

20 Q: ARE YOU ABLE TO QUANTIFY ANY SAVINGS THAT WILL BE ACHIEVED THROUGH
21 THE MERGER?

22 A: No, we cannot do so at this time. Because our companies already operate with the same support

1 structure and personnel, this merger will not result in the elimination of personnel or the closing
2 of corporate offices, as corporate mergers or acquisitions between unrelated companies often do.
3 The advantages derived from our merger transaction will be more subtle, but I do believe that
4 they will become obvious over time.

5 Q: WOULD CUSTOMERS' RATES BE AFFECTED AS A RESULT OF THE MERGER?

6 A: No. In our application we explicitly requested that CWS be allowed to maintain the tariffs
7 currently in effect for the customers served by the Joint Applicants. Therefore, those customers
8 presently served by United would be billed according to the existing United tariffs, Southland
9 customers would be billed according to that company's tariffs, and so on.

10 Q: WILL CUSTOMER SERVICE BE AFFECTED BY THE MERGER?

11 A: There certainly will not be any adverse effect on customer service. CWS files a Performance
12 Report with the Office of Regulatory Staff and the Commission on a quarterly basis, pursuant to
13 Commission Order 2013-606. The report tracks call center performance, billing complaints and
14 customer service complaints. I have attached copies of CWS's Performance Reports for 2014 to
15 my testimony as Exhibit RJD-2. The reports show that our call center wait times are low, our
16 billing is accurate, and our customer complaint rate is generally a little over one percent. The
17 other UI Subsidiaries are served by the same call center and personnel, and deliver the same
18 levels of customer service.

19 Q: WILL THE COMPANY APPLY TO CONSOLIDATE ITS TARIFFS IN THE FUTURE?

20 A: We believe that uniform tariffs will be advantageous for our customers, so it is a possibility that
21 we want to explore. When the consolidated company files a rate case, which will probably
22 happen later this year, we will look at the capital investment, expenses and revenues for each of

1 the former companies and determine whether a transition to a uniform tariff is feasible. Of
2 course, the new rate structure could only be implemented with the Commission's approval.

3 Q: WHY DO YOU BELIEVE THAT UNIFORM TARIFFS COULD BE ADVANTAGEOUS FOR
4 YOUR CUSTOMERS?

5 A: Consolidation of operating units and their rates generally results in spreading out the impact of
6 capital investments, expenses, or revenue shortfalls. Some of the current subsidiaries are quite
7 small, and if they should require a major expenditure, it could have a significant impact on rates.
8 That impact would be diluted by combining the companies. Even CWS's current customers, who
9 belong to the company's largest subsidiary, would benefit from a bigger customer pool. This is
10 especially true because none of the South Carolina companies is in worse shape than another,
11 operationally.

12 Q: WHY DID YOU DISCUSS UNIFORM TARIFFS IN THE BUSINESS UNITS
13 CONSOLIDATION PLAN FILED AS EXHIBIT F TO THE APPLICATION?

14 A: We realized that the first thing most of our customers would want to know about this application
15 is how it would affect their rates, so we wanted to reassure them that approval of the merger,
16 described as "Phase 1" in the Plan, would not affect their rates. However, we also wanted to be
17 transparent about our belief that consolidated rates are eventually the optimal way to go for this
18 company, so we made the case for them in "Phase 2" of the Plan. If the Joint Applicants had not
19 requested this consolidation, there would not be an opportunity for the Commission to determine
20 whether there will be benefits afforded to the company and its customers in subsequent rate case
21 filings to operate under a uniform tariff(s). Filing this request for consolidation in this proceeding
22 is a pre-requisite that will enable the Commission to study uniform tariffs in future proceedings.

1 Q: ARE YOU AWARE OF ANY ADVERSE EFFECT THAT CONSOLIDATION WOULD
2 HAVE ON THE JOINT APPLICANTS' CUSTOMERS?

3 A: No.

4 Q: WHAT ARE THE JOINT APPLICANTS' REQUEST OF THIS COMMISSION?

5 A: On behalf of the Joint Applicants, I would respectfully request that the Commission approve this
6 application as being in the public interest.

EXHIBIT RJD-1

- ▲ Carolina Water Service
- ▲ United Utility Companies
- ▲ Utilities Services of South Carolina
- ▲ Southland Utilities

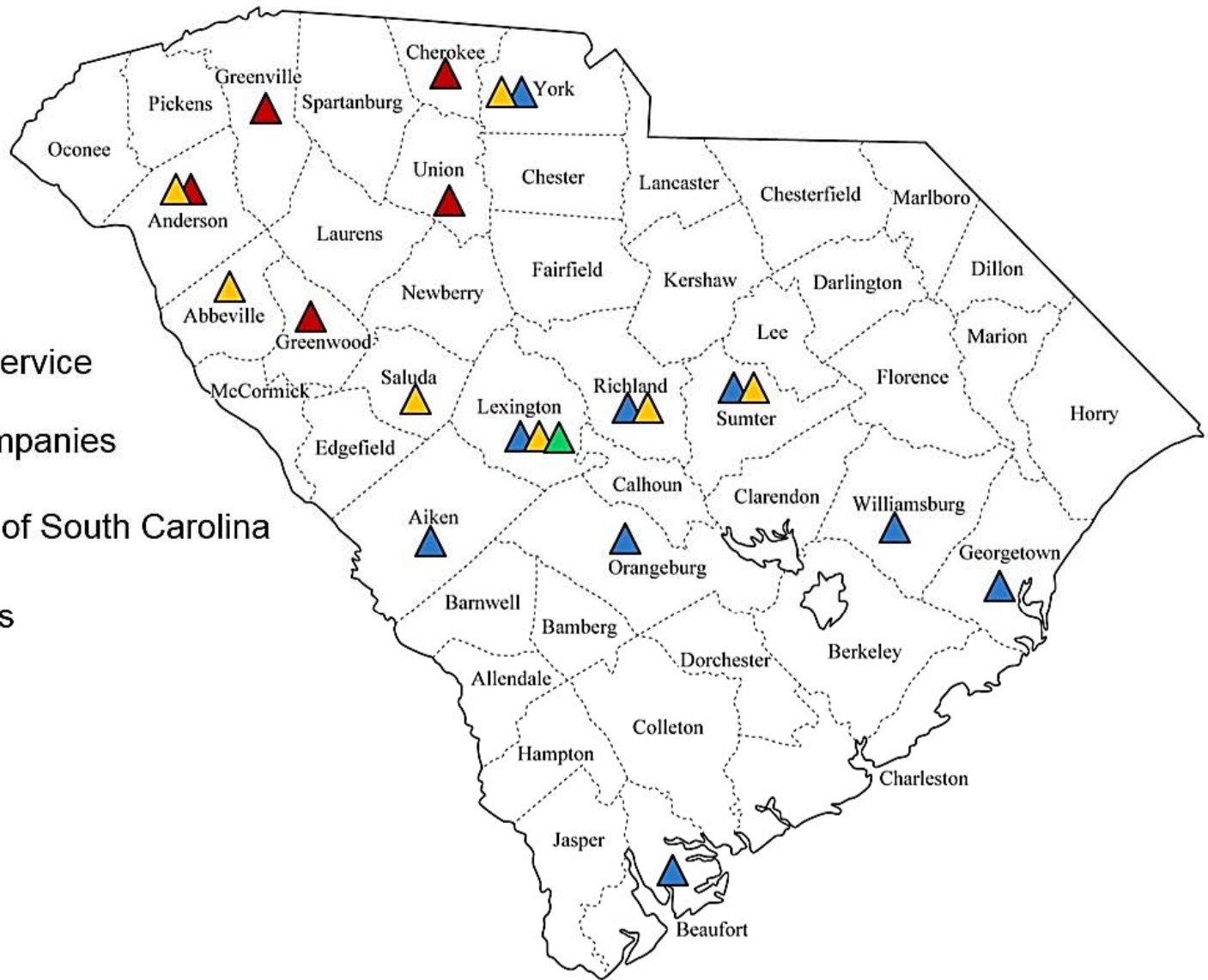


EXHIBIT RJD-2

VERIFICATION UNDER OATH
REGARDING ACCURACY OF SERVICE OBJECTIVES REPORT

I, Karen Sasic, state and attest that the attached Service Objectives Report is filed on behalf of Carolina Water Service, Inc. (Name of Public Utility as certificated) as required by Order No. 2013-606; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable South Carolina statutes, Commission Rules, and Commission Orders.

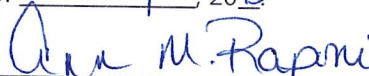


Signature of Person Making Verification

Director of Billing & Regulatory Relations
Job Title

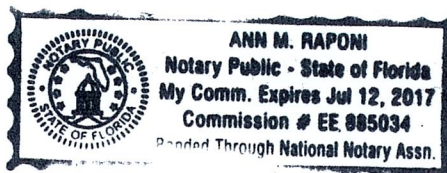
1/15/2015
Date

Subscribed and sworn before me this the 15th day
of January, 2015



Notary Public

My Commission Expires: 7/12/2017



Carolina Water Service, Inc.

Joint Corrective Action Plan
Docket No. 2010-146-WS
Order No. 2013-606

2014

Quarterly Performance Report

4th Quarter 2014

Contents

Billing Results - CWS
Call Center Performance - All Call Centers (not CWS specific)
Customer Complaints - CWS

Report Submitted: January 15, 2015

Customer Billing

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	Jul Actual	Aug Actual	Sep Actual	3Q14 Actual	Oct Actual	Nov Actual	Dec Actual	4Q14 Actual	YTD
# of Bills Rendered	12308	11976	12769	37053	12481	12546	12415	37442	12643	12095	12607	37345	12992	12060	13346	38398	150238
% of Billing Accuracy	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	100.0%	99.9%	99.8%	99.9%	99.9%	99.9%	99.9%	99.7%	99.9%	99.8%	99.9%
Summary of Causes of Billing Adjustments																	
Billed in Error	0	0	0	0	0	2	0	2	0	0	0	0	0	2	0	2	4
Rate Change	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrong Bill Cycle	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrong Customer Billed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrong Period Billed	2	2	2	6	4	0	0	4	2	0	6	8	2	0	5	7	25
Wrong Rate	2	0	0	2	0	1	0	1	15	0	0	15	0	2	3	5	23
Wrong Read	11	9	9	29	10	7	3	20	14	10	8	32	16	33	10	59	140
# of Billing Exceptions	3747	699	4524	8970	441	1299	520	2260	1393	1714	310	3417	832	278	442	1552	16199
Avg # of Days to Resolve Billing Exceptions	1.11	1.72	1.07	1.30	1.90	2.24	1.37	1.84	1.44	1.07	2.13	1.55	1.24	1.39	1.52	1.38	1.52

Call Center Operations

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	Jul Actual	Aug Actual	Sep Actual	3Q14 Actual	Oct Actual	Nov Actual	Dec Actual	4Q14 Actual	YTD
# of Calls Received at all Centers	26020	19875	22424	68319	24264	27232	26649	78145	26961	24896	27705	79562	30122	22267	26960	79349	305375
*Average Speed of Answer / Service Level	90.1%	94.1%	95.0%	93.1%	95.6%	89.0%	79.0%	87.9%	72.5%	71.5%	71.7%	71.9%	94.9%	95.2%	83.8%	91.3%	86.0%
Abandon Rate	1.0%	1.0%	0.0%	0.7%	0.0%	1.0%	3.0%	1.3%	5.0%	5.0%	7.0%	5.7%	0.0%	1.0%	3.0%	1.3%	2.3%
Longest Wait Time in Queue	0:37:01	1:55:09	0:37:23	1:55:09	0:19:17	0:22:12	0:41:38	0:41:38	0:40:39	0:35:33	0:40:08	0:40:39	5:56:35	1:52:32	0:20:23	5:56:35	5:56:35
Average Wait Time	0:00:49	0:00:47	0:00:35	0:00:44	0:00:32	0:00:51	0:01:18	0:00:54	0:01:32	0:01:40	0:02:15	0:01:49	0:00:41	0:00:45	0:01:35	0:01:00	0:01:07
Average Customer Treatment Time	0:04:57	0:04:52	0:04:57	0:04:55	0:04:43	0:04:21	0:04:26	0:04:30	0:04:31	0:04:38	0:04:42	0:04:37	0:04:42	0:04:29	0:04:23	0:04:31	0:04:38

*Per the JCAP, as of 08/29/2013, the company is to meet answering 80% of calls within 120 seconds of entering the queue. By 08/29/2014, the company is to meet answering 80% of calls within 90 seconds of entering the queue. By 08/29/2015, the company is to meet answering 80% of calls within 60 seconds of answering the queue. The Company is ahead of schedule and currently reporting against a Target Average Speed of Answer Service Level of 80% of all calls answered within 60 seconds of entering queue. The Company has been performing at this level effective 01/01/2013.

Customer Complaints

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	Jul Actual	Aug Actual	Sep Actual	3Q14 Actual	Oct Actual	Nov Actual	Dec Actual	4Q14 Actual	YTD
# of Complaints Received	146	128	123	397	135	162	105	402	139	131	123	393	141	113	146	400	1592
% of Unresolved Complaints Issued Notice to Contact ORS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Complaint Rate	1.17%	1.02%	0.98%	1.06%	1.07%	1.28%	0.83%	1.06%	1.10%	1.03%	0.97%	1.03%	1.10%	0.88%	1.14%	1.04%	1.05%
Types and Number of Types of Calls Received from CWS Customers																	
High Bill Investigation	26	23	24	73	29	16	14	59	16	19	27	62	30	22	30	82	276
Air in Water	0	0	0	0	0	0	0	0	2	0	1	3	1	0	0	1	4
Clogged Sewer	16	14	8	38	13	11	11	35	14	14	9	37	14	19	23	56	166
Discolored Water	1	0	0	1	0	6	4	10	5	0	2	7	13	1	1	15	33
General Investigation	42	28	32	102	22	39	25	86	27	28	23	78	19	18	24	61	327
High or Low Pressure in the Water	1	4	3	8	1	8	9	18	19	8	0	27	5	2	8	15	68
Lawn Repair for Sewer Breaks	1	6	1	8	4	2	2	8	3	3	0	6	0	0	2	2	24
Lawn Repair for Water Breaks	0	1	3	4	6	5	4	15	2	3	2	7	6	4	3	13	39
Lift Station Problems	1	4	2	7	3	3	2	8	1	1	3	5	1	7	2	10	30
Mineral Amount in Water	0	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	1
No Water	9	5	2	16	5	5	2	12	7	3	2	12	4	3	4	11	51
Noise in Sewer	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1
Odor in Sewer	0	0	0	0	1	7	2	10	0	1	1	2	7	1	0	8	20
Repair/Replace Meter Box	4	2	6	12	5	6	1	12	3	0	2	5	3	5	5	13	42
Repair Road	0	2	4	6	6	5	1	12	0	1	3	4	1	1	6	8	30
Sewer Main Break	1	0	0	1	0	3	0	3	0	1	0	1	0	0	2	2	7
Sewer Miscellaneous Complaint	8	12	13	33	20	12	4	36	12	7	9	28	5	4	12	21	118
Sewer Service Line Break	4	4	3	11	3	1	3	7	1	3	0	4	1	2	3	6	28
Taste or Odor in Water	0	2	0	2	0	6	0	6	0	3	4	7	2	0	1	3	18
Water Quality	2	0	0	2	0	3	3	6	4	2	0	6	0	0	0	0	14
Water Main Break	4	3	1	8	1	0	3	4	2	3	4	9	4	2	1	7	28
Water Miscellaneous Complaint	6	4	9	19	4	2	2	8	2	8	8	18	4	3	5	12	57
Water Service Line Break	17	13	9	39	7	20	12	39	18	19	18	55	19	14	13	46	179
Test Meter	3	1	3	7	4	2	1	7	1	4	4	9	2	5	1	8	31

VERIFICATION UNDER OATH
REGARDING ACCURACY OF SERVICE OBJECTIVES REPORT

I, Karen Sasic, state and attest that the attached Service Objectives Report is filed on behalf of Carolina Water Service, Inc. (Name of Public Utility as certificated) as required by Order No. 2013-606; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable South Carolina statutes, Commission Rules, and Commission Orders.

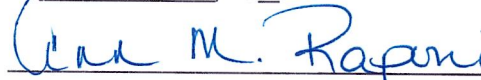


Signature of Person Making Verification

Director of Billing & Regulatory Relations
Job Title

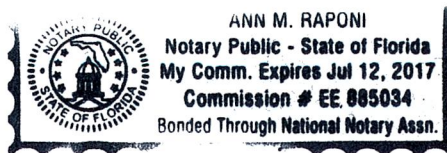
10/15/14
Date

Subscribed and sworn before me this the 15th day
of October, 2014.



Notary Public

My Commission Expires: 7/12/2017



Carolina Water Service, Inc.

Joint Corrective Action Plan

Docket No. 2010-146-WS

Order No. 2013-606

2014

Quarterly Performance Report

3rd Quarter 2014

Contents

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Call Center Performance - All Call Centers (not CWS specific)

Customer Complaints - CWS

Report Submitted: October 15, 2014

Customer Billing

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	Jul Actual	Aug Actual	Sep Actual	3Q14 Actual	YTD
# of Bills Rendered	12308	11976	12769	37053	12481	12546	12415	37442	12643	12095	12607	37345	111840
% of Billing Accuracy	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	100.0%	99.9%	99.8%	99.9%	99.9%	99.9%	99.9%
Summary of Causes of Billing Adjustments													
Billed in Error	0	0	0	0	0	2	0	2	0	0	0	0	2
Rate Change	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrong Bill Cycle	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrong Customer Billed	0	0	0	0	0	0	0	0	0	0	0	0	0
Wrong Period Billed	2	2	2	6	4	0	0	4	2	0	6	8	18
Wrong Rate	2	0	0	2	0	1	0	1	15	0	0	15	18
Wrong Read	11	9	9	29	10	7	3	20	14	10	8	32	81
# of Billing Exceptions	3747	699	4524	8970	441	1299	520	2260	1393	1714	310	3417	14647
Avg # of Days to Resolve Billing Exceptions	1.11	1.72	1.07	1.30	1.90	2.24	1.37	1.84	1.44	1.07	2.13	1.55	1.56

Call Center Operations

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	Jul Actual	Aug Actual	Sep Actual	3Q14 Actual	YTD
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*Average Speed of Answer / Service Level	90.1%	94.1%	95.0%	93.1%	95.6%	89.0%	79.0%	87.9%	72.5%	71.5%	71.7%	71.9%	84.3%
Abandon Rate	1.0%	1.0%	0.0%	0.7%	0.0%	1.0%	3.0%	1.3%	5.0%	5.0%	7.0%	5.7%	2.6%
Longest Wait Time in Queue	0:37:01	1:55:09	0:37:23	1:55:09	0:19:17	0:22:12	0:41:38	0:41:38	0:40:39	0:35:33	0:40:08	0:40:39	1:55:09
Average Wait Time	0:00:49	0:00:47	0:00:35	0:00:44	0:00:32	0:00:51	0:01:18	0:00:54	0:01:32	0:01:40	0:02:15	0:01:49	0:01:09
Average Customer Treatment Time	0:04:57	0:04:52	0:04:57	0:04:55	0:04:43	0:04:21	0:04:26	0:04:30	0:04:31	0:04:38	0:04:42	0:04:37	0:04:41

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Customer Complaints

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	Jul Actual	Aug Actual	Sep Actual	3Q14 Actual	YTD
# of Complaints Received	146	128	123	397	135	162	105	402	139	131	123	393	1192
% of Unresolved Complaints Issued Notice to Contact ORS	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Complaint Rate	1.17%	1.02%	0.98%	1.06%	1.07%	1.28%	0.83%	1.06%	1.10%	1.03%	0.97%	1.03%	1.05%
Types and Number of Types of Calls Received from CWS Customers													
High Bill Investigation	26	23	24	73	29	16	14	59	16	19	27	62	194
Air in Water	0	0	0	0	0	0	0	0	2	0	1	3	3
Clogged Sewer	16	14	8	38	13	11	11	35	14	14	9	37	110
Discolored Water	1	0	0	1	0	6	4	10	5	0	2	7	18
General Investigation	42	28	32	102	22	39	25	86	27	28	23	78	266
High or Low Pressure in the Water	1	4	3	8	1	8	9	18	19	8	0	27	53
Lawn Repair for Sewer Breaks	1	6	1	8	4	2	2	8	3	3	0	6	22
Lawn Repair for Water Breaks	0	1	3	4	6	5	4	15	2	3	2	7	26
Lift Station Problems	1	4	2	7	3	3	2	8	1	1	3	5	20
Mineral Amount in Water	0	0	0	0	1	0	0	1	0	0	0	0	1
No Water	9	5	2	16	5	5	2	12	7	3	2	12	40
Noise in Sewer	0	0	0	0	0	0	0	0	0	0	1	1	1
Odor in Sewer	0	0	0	0	1	7	2	10	0	1	1	2	12
Repair/Replace Meter Box	4	2	6	12	5	6	1	12	3	0	2	5	29
Repair Road	0	2	4	6	6	5	1	12	0	1	3	4	22
Sewer Main Break	1	0	0	1	0	3	0	3	0	1	0	1	5
Sewer Miscellaneous Complaint	8	12	13	33	20	12	4	36	12	7	9	28	97
Sewer Service Line Break	4	4	3	11	3	1	3	7	1	3	0	4	22
Taste or Odor in Water	0	2	0	2	0	6	0	6	0	3	4	7	15
Water Quality	2	0	0	2	0	3	3	6	4	2	0	6	14
Water Main Break	4	3	1	8	1	0	3	4	2	3	4	9	21
Water Miscellaneous Complaint	6	4	9	19	4	2	2	8	2	8	8	18	45
Water Service Line Break	17	13	9	39	7	20	12	39	18	19	18	55	133
Test Meter	3	1	3	7	4	2	1	7	1	4	4	9	23

VERIFICATION UNDER OATH
REGARDING ACCURACY OF SERVICE OBJECTIVES REPORT

I, Karen Sasic, state and attest that the attached Service Objectives Report is filed on behalf of Carolina Water Service, Inc. (Name of Public Utility as certificated) as required by Order No. 2013-606; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable South Carolina statutes, Commission Rules, and Commission Orders.



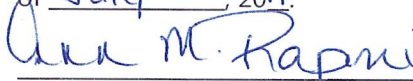
Signature of Person Making Verification

Director of Billing & Regulatory Relations
Job Title

7/8/14

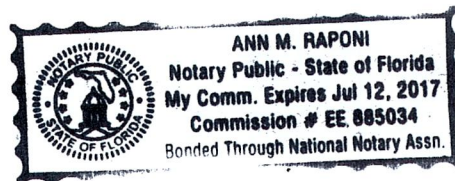
Date

Subscribed and sworn before me this the 8th day
of July, 2014.



Notary Public

My Commission Expires: 7/12/2017



Carolina Water Service, Inc.

**Joint Corrective Action Plan
Docket No. 2010-146-WS
Order No. 2013-606**

2014

Quarterly Performance Report

2nd Quarter 2014

Contents

Billing Results - CWS

Call Center Performance - All Call Centers (not CWS specific)

Customer Complaints - CWS

Report Submitted: July 14, 2014

Customer Billing

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	YTD
# of Bills Rendered	12308	11976	12769	37053	12481	12546	12415	37442	74495
% of Billing Accuracy	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	100.0%	99.9%	99.9%
Summary of Causes of Billing Adjustments									
Billed in Error	0	0	0	0	0	2	0	2	2
Rate Change	0	0	0	0	0	0	0	0	0
Wrong Bill Cycle	0	0	0	0	0	0	0	0	0
Wrong Customer Billed	0	0	0	0	0	0	0	0	0
Wrong Period Billed	2	2	2	6	4	0	0	4	10
Wrong Rate	2	0	0	2	0	1	0	1	3
Wrong Read	11	9	9	29	10	7	3	20	49
# of Billing Exceptions	3747	699	4524	8970	441	1299	520	2260	11230
Avg # of Days to Resolve Billing Exceptions	1.11	1.72	1.07	1.30	1.90	2.24	1.37	1.84	1.57

Call Center Operations

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	YTD
# of Calls Received at all Centers	26020	19875	22424	68319	24264	27232	26649	78145	146464
*Average Speed of Answer / Service Level	90.1%	94.1%	95.0%	93.1%	95.6%	89.0%	79.0%	87.9%	90.5%
Abandon Rate	1.0%	1.0%	0.0%	0.7%	0.0%	1.0%	3.0%	1.3%	1.0%
Longest Wait Time in Queue	0:37:01	1:55:09	0:37:23	1:55:09	0:19:17	0:22:12	0:41:38	0:41:38	1:55:09
Average Wait Time	0:00:49	0:00:47	0:00:35	0:00:44	0:00:32	0:00:51	0:01:18	0:00:54	0:00:49
Average Customer Treatment Time	0:04:57	0:04:52	0:04:57	0:04:55	0:04:43	0:04:21	0:04:26	0:04:30	0:04:43

*Per the JCAP, as of 08/29/2013, the company is to meet answering 80% of calls within 120 seconds of entering the queue. By 08/29/2014, the company is to meet answering 80% of calls within 90 seconds of entering the queue. By 08/29/2015, the company is to meet answering 80% of calls within 60 seconds of answering the queue. The Company is ahead of schedule and currently reporting against a Target Average Speed of Answer Service Level of 80% of all calls answered within 60 seconds of entering queue. The Company has been performing at this level effective 01/01/2013.

Customer Complaints

Performance Metrics	Jan Actual	Feb Actual	Mar Actual	1Q14 Actual	Apr Actual	May Actual	June Actual	2Q14 Actual	YTD
# of Complaints Received	146	128	123	397	135	162	105	402	799
% of Unresolved Complaints Issued Notice to Contact ORS	100%	100%	100%	100%	100%	100%	100%	100%	100%
Complaint Rate	1.17%	1.02%	0.98%	1.06%	1.07%	1.28%	0.83%	1.06%	1.06%
Types and Number of Types of Calls Received from CWS Customers									
High Bill Investigation	26	23	24	73	29	16	14	59	132
Air in Water	0	0	0	0	0	0	0	0	0
Clogged Sewer	16	14	8	38	13	11	11	35	73
Discolored Water	1	0	0	1	0	6	4	10	11
General Investigation	42	28	32	102	22	39	25	86	188
High or Low Pressure in the Water	1	4	3	8	1	8	9	18	26
Lawn Repair for Sewer Breaks	1	6	1	8	4	2	2	8	16
Lawn Repair for Water Breaks	0	1	3	4	6	5	4	15	19
Lift Station Problems	1	4	2	7	3	3	2	8	15
Mineral Amount in Water	0	0	0	0	1	0	0	1	1
No Water	9	5	2	16	5	5	2	12	28
Noise in Sewer	0	0	0	0	0	0	0	0	0
Odor in Sewer	0	0	0	0	1	7	2	10	10
Repair/Replace Meter Box	4	2	6	12	5	6	1	12	24
Repair Road	0	2	4	6	6	5	1	12	18
Sewer Main Break	1	0	0	1	0	3	0	3	4
Sewer Miscellaneous Complaint	8	12	13	33	20	12	4	36	69
Sewer Service Line Break	4	4	3	11	3	1	3	7	18
Taste or Odor in Water	0	2	0	2	0	6	0	6	8
Water Quality	2	0	0	2	0	3	3	6	8
Water Main Break	4	3	1	8	1	0	3	4	12
Water Miscellaneous Complaint	6	4	9	19	4	2	2	8	27
Water Service Line Break	17	13	9	39	7	20	12	39	78
Test Meter	3	1	3	7	4	2	1	7	14

VERIFICATION UNDER OATH
REGARDING ACCURACY OF SERVICE OBJECTIVES REPORT

I, Karen Sasic, state and attest that the attached Service Objectives Report is filed on behalf of Carolina Water Service, Inc. (Name of Public Utility as certificated) as required by Order No. 2013-606; that I have reviewed said Report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information provided therein; and that, to the best of my knowledge, information, and belief, all of the information contained therein is accurate and true, no material information or fact has been knowingly omitted or misstated therein, and all of the information contained in said Report has been prepared and presented in accordance with all applicable South Carolina statutes, Commission Rules, and Commission Orders.



Signature of Person Making Verification

Director of Billing & Regulatory Relations
Job Title

4/9/14

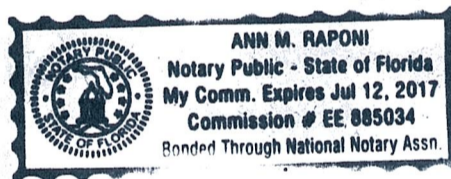
Date

Subscribed and sworn before me this the 9th day
of April, 2014



Notary Public

My Commission Expires: 7/12/2017



Carolina Water Service, Inc.

Joint Corrective Action Plan

Docket No. 2010-146-WS

Order No. 2013-606

2014

Quarterly Performance Report

1st Quarter 2014

Contents

Billing Results - CWS

Call Center Performance - All Call Centers (not CWS specific)

Customer Complaints - CWS

Report Submitted: April 11, 2014

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Wrong Bill Cycle	0	0	0	0	0
Wrong Customer Billed	0	0	0	0	0
Wrong Period Billed	2	2	2	6	6
Wrong Rate	2	0	0	2	2
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Abandon Rate	1.0%	1.0%	0.0%	0.7%	0.7%
Longest Wait Time in Queue	0:37:01	1:55:09	0:37:23	1:55:09	1:55:09
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Average Customer Treatment Time	0:04:57	0:04:52	0:04:57	0:04:55	0:04:55

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Clogged Sewer	16	14	8	38	38
Discolored Water	1	0	0	1	1
General Investigation	42	28	32	102	102
High or Low Pressure in the Water	1	4	3	8	8
Lawn Repair for Sewer Breaks	1	6	1	8	8
Lawn Repair for Water Breaks	0	1	3	4	4
Lift Station Problems	1	4	2	7	7
Mineral Amount in Water	0	0	0	0	0
No Water	9	5	2	16	16
Noise in Sewer	0	0	0	0	0
Odor in Sewer	0	0	0	0	0
Repair/Replace Meter Box	4	2	6	12	12
Repair Road	0	2	4	6	6
Sewer Main Break	1	0	0	1	1
Sewer Miscellaneous Complaint	8	12	13	33	33
Sewer Service Line Break	4	4	3	11	11
Taste or Odor in Water	0	2	0	2	2
Water Quality	2	0	0	2	2
Water Main Break	4	3	1	8	8
Water Miscellaneous Complaint	6	4	9	19	19
Water Service Line Break	17	13	9	39	39
Test Meter	3	1	3	7	7